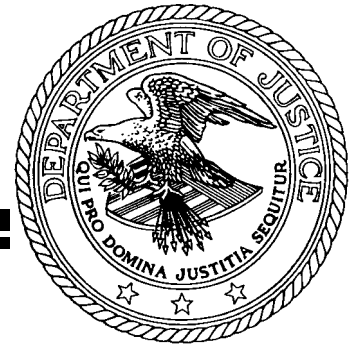


NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA San Diego, California

***United States Attorney
Carol C. Lam***

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For Immediate Release

NEWS RELEASE SUMMARY - San Diego, California - February 12, 2004

United States Attorney Carol C. Lam announced today the sentencing of Emmett Ellsworth Moore, Jr. to serve 33 months in prison for his role in the operation of Commercial Express, LLC, an organization headquartered in Los Angeles, but with boiler rooms in several U.S. cities, including San Diego, and which defrauded over 700 victims nationwide of over \$18,000,000 through a sophisticated "Ponzi scheme." The scheme involved investments to buy television time to produce and air direct response commercials to advertise and sell a number of different products. In addition to the term of imprisonment, United States District Judge Napoleon A. Jones, Jr. also sentenced Moore to serve three years of supervised release following his release from prison, ordered him to pay \$392,200.61 in restitution to 34 victims of the scheme, and imposed a criminal forfeiture in the amount of \$185,168.74. According to Assistant U.S. Attorney Steven A. Peak, the lead prosecutor handling the case, prior to his sentencing Moore paid \$150,000 toward his mandatory restitution order. Peak added that it is unusual in telemarketing cases for victims actually to receive restitution, and although it is unlikely that Moore's victims will recover their entire losses, they will

receive a portion of them through the restitution order imposed by the Court.

Moore previously pled guilty on May 6, 2003, to multiple counts of conspiracy, securities fraud, mail fraud, wire fraud, and engaging in monetary transactions greater than \$10,000 in criminally-derived property. Moore also pled guilty to failing to file an individual income tax return.

Assistant U.S. Attorney Peak said that documents filed with the court and admissions by Moore during his guilty pleas showed that Moore was the operator and manager of Top Broker, a boiler room in San Diego which sold the Commercial Express investment offering. Moore, along with the owners and operators of Commercial Express, offered to the investing public the opportunity to purchase “Media Units” for the amount of \$5,000 or \$10,000 per unit, or “Equity Participations” for a minimum investment of \$100,000. A Media Unit purported to be a purchase of a minimum of 80-100 media broadcast spots, with the investor profiting from the gross revenues from sales generated from direct response commercials (whose media buys were funded from those units). An Equity Participation was purportedly an ownership interest in Commercial Express, with participation in the business’ worldwide profits. The Media Units and Equity Participations constituted investment contracts and securities within the meaning of federal and state securities laws.

Moore, the operators of Commercial Express, and salespeople working for the boiler rooms, including Top Broker, promised investors exorbitant returns on their investment from the profits earned on product sales. In order to generate interest in the investment scheme, Commercial Express actually paid large returns to a limited number of initial investors. However, contrary to the representations, these payments were not made from profits earned from products sales, but rather came out of the funds of later purchasers of the Media Units.

United States Attorney Lam said that the San Diego Boiler Room Task Force, an organization made up of representatives from the United States Attorney's Office, the Federal Bureau of Investigation (FBI), the Internal Revenue Service Criminal Investigations (IRS-CI), the United States Postal Inspection Service (USPIS), the California Attorney General’s Office and other federal, state and local agencies in San Diego

and Southern California had investigated this telemarketing organization for over three years, and had worked closely with the U.S. Securities and Exchange Commission (SEC) and the Federal Trade Commission (FTC), each of which had investigated Commercial Express for regulatory violations. According to U.S. Attorney Lam, prosecutors from three Department of Justice components also participated in the investigation, including the Fraud Section, Criminal Division; the Antitrust Division; and the Tax Division.

DEFENDANT

Emmett Ellsworth Moore, Jr.

SUMMARY OF CHARGES

Title 18, U.S.C. Section 371 – Conspiracy to Commit Securities Fraud (1 count)
Maximum penalty per count: five years; fine of \$250,000

Title 15, U.S.C. Section 78j(b) and 78ff – Securities Fraud (1 count)
Maximum penalty per count: ten years; fine of \$1,000,000

Title 18, U.S.C. Section 1341 – Mail Fraud (2 counts)
Maximum penalty per count: five years; fine of \$250,000

Title 18, U.S.C. Section 1343 – Wire Fraud (3 counts)
Maximum penalty per count: five years; fine of \$250,000

Title 18, U.S.C. Section 1957 – Engaging in Monetary Transactions Greater than \$10,000 in Criminally-Derived Property (6 counts)
Maximum penalty per count: ten years; fine of \$250,000

Title 26, U.S.C. 7203 – Failure to File Individual Income Tax Return (1 count)
Maximum penalty per count: one year; fine of \$100,000

AGENCIES

United States Attorney's Office
San Diego Boiler Room Task Force
Internal Revenue Service, Criminal Investigation Division
Federal Bureau of Investigation
United States Postal Inspection Service
California Attorney General's Office/California Department of Justice
Fraud Section, Criminal Division, United States Department of Justice
Tax Division, United States Department of Justice
Antitrust Division, United States Department of Justice